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09/634,041	08/08/2000	Frederick W. Ryan JR.	F-175	5187

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EXAMINER

FISCHETTI, JOSEPH A

ART UNIT	PAPER NUMBER
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3627

DATE MAILED: 08/31/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

## Office Action Summary

Application No.

09/634,041

Applicant(s)

RYAN ET AL.

Examiner

Joseph A. Fischetti

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --  
**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 08 September 2005.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-6 and 8-16 is/are pending in the application.
- 4a) Of the above claim(s) 17-33 is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-6, 8-16 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)  | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                                   | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)             |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____  |

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IN REPLY TO APPLICANTS' AMENDMENT CROSSING THE NOTICE OF ABANDONMENT of Aug. 29, 2005, THE ABANDONMENT IS WITHDRAWN and the following action is issued in this case.

***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 1-5,8-16 are rejected under 35 U.S.C. 103(a) as being unpatentable over Chong in view of RFP # 001185 or Francisco et al. and Johnson et al./Official Notice.

Claim 1 recites:

a) collecting information regarding remote sales made by buyers:

a')Chong in its "Background" information makes it clear in col. 1 lines 14-24 that sales are being made and tracked in "national or global markets" and thus are remote. Furthermore, the passage goes onto state that the system/method of Chong "collects" and "reports their sales transactions and collected taxes to each applicable taxing jurisdiction or authority". (col. 1 lines 18-21). Again in Col. 4 lines 46-52 Chong discusses a location code to demark where each remote sale occurs. Hence, limitation (a) of Appellants' claim 1 is met by Chong.

Claim 1 recites:

(b) calculating the correct taxing jurisdictions sales and/or use tax to be paid by buyers for remote sales.

(b') Chong meets this limitation wherein in Col. 2 lines 4-12 it is disclosed that the object of the invention is to " automatically [track] the appropriate sales tax rates, sales types and taxing jurisdictions ", "for multiple types of rate assessments on transactions". Also, col. 2, lines 42-43 Chong recites determining "a rate assessment amount as computed by application of the assessment rate ...". Thus, Chong answers the limitation (b) set forth in claim 1.

Claim 1 recites:

(c) "collecting by sellers from buyers the correct sales and/or use tax".

(c') Chong does collect correct sales and/or use taxes with the sale price of each transaction (col. 1 lines 18-21). The plural form of "sellers" is met by the disclosure in Chong of plural sales outlets maintained in plural jurisdictions. Thus, Chong answers the limitation (c) set forth in claim 1.

Claim 1 recites:

(d) collecting by an agent the correct sales and/or use tax received by sellers;

(d') The method of Chong does not disclose the use of an agent. This is because it involves a single seller dealing with plural buyers. Nevertheless, Chong provides the suggestion for using one because it discusses in col. 1 lines 14-24 the "plural companies", and hence, the plural form would lend itself to the necessity of a system common to all. This statement provides the suggestion to combine Chong with a reference disclosing use of an agent, such as RFP #001185.

Claim 1 recites:

(e) segmenting ... sales and/or use taxes and the information collected ... for particular taxing jurisdiction into different databases for each taxing authority wherein the identity of the seller is not revealed to the taxing jurisdiction.

(e') Chong answers the above phrase. What it lacks is the use of an agent. This is because the method of Chong discloses a company's use of a tax tracking system, and it tracks customer sales in order to determine its tax liability. Notwithstanding this, the method used by Chong is still in fact the same segmenting methodology used by Appellants. More specifically, Chong in col. 4, lines 46-68, discloses identifying a customer by "customer identification code" and a "customer location code" which "is indexed to the corresponding support file". Moreover **Appendix G in the Chong patent illustrates that the identity of each customer is referenced by "CUST #" and further is "grouped by taxing authority". (col. 6 line 55).** Thus, Chong clearly discloses segmenting information, e.g. sales data, according to a "particular taxing jurisdiction" because Chong discloses grouping sales data by taxing authority rather

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than by person's name. Appellants' segmenting feature is clearly met by the Chong method/system. See, SRI Int'l v. Matsushita Elec. Corp., 775 F.2d 1107, 1121, 227 USPQ 577, 586 (Fed. Cir. 1985) (en banc) (claim language defines claim scope); Toro Co. v. White Consol. Indus., 199 F.3d 1295, 1299, 53 USPQ2d 1065, 1067 (Fed. Cir. 1999). (as a general rule, claim language is given the ordinary meaning of the words in the normal usage of the field of the invention.)

Most important, because Chong discloses identifying its customers only by a "CUST #" rather than by name, Chong in fact has revealed the identity of its customer to **no one**, including the taxing authority. Moreover Chong, col. 7 lines 36-42 discusses handling of data in order to accomplish reporting functions by sorting sales records by sales type codes and not by name – a clear use of not revealing any identity. Thus, the majority and material parts of limitation (E) of claim 1 are met by Chong.

Claim 1 recites:

(f) paying each taxing jurisdiction the taxes that are due."

(f') It is considered obvious to pay the taxing authorities money that is due them once taking on the task of determining what is due. Notwithstanding, this step anyway follows as an obvious expedient of the combination of references applied in the Final Office Action as will be come apparent below. Furthermore, nowhere is the paying feature contested by Appellants in their brief. Since Appellants arguments referencing claim 1 focus only on the issue of anonymity between agent and the government, the Board should consider this feature conceded.

*The Combination of Chong in view of RFP # 001185 or Francisco et al. and Johnson et al./Official Notice Answers to Insufficiencies*

As is apparent from the above, Chong answers each and every limitation of claim 1, including the anonymity feature, except for employing an agent to collect the taxes due and the viewing on suspicion of fraud limitations. Both RFP # 001185 and Francisco et al. disclose collecting by an agent and paying sales tax using that agent (See, RFP p. 25 Model 1 and Francisco et al at col. 1, lines 45-50). There can be no clearer evidence of what was know at the time of the invention to those of ordinary skill in the art than what was published in RFP # 001185, a document which by definition educated the public to the description of a collecting agent.

Page 25 of RFP 001185 clearly discloses as prior art the description of what an agent is and what its responsibilities are:

Under this model, a retailer selects a CSP (certified service provider) as an agent to perform all the retailer's tax functions. The agent then determines the amount of tax due, pays the tax to the states, and files returns with the states using a CAS (certified automated system).

Hence, there can be no doubt that use of an agent to collect taxes for another was not just known, at the time of the invention, but based on the disclosure in RFP 001185, was in fact promoted as part of a public invitation to bid.

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Even still, RFP #001185 further disclose the feature of privacy which answers Appellant's limitation of anonymity. RFP # 001185 clearly sets forth the privacy feature as a requirement of the proposal on page 15:

Privacy. -- A proposal must include procedures to protect the privacy of consumers and retailers in accordance with the following:

- The Contractor is bound by the law of North Carolina prohibiting the disclosure of tax information.
- The Contractor must limit the collection, storage, processing, and dissemination **of personal data to that** which is relevant and necessary to the successful operation of the Pilot. Personal data is data that identifies a purchaser, such as name and address.
- The Contractor may not data-mine or sell any personal data gathered under the Pilot and, except as required by the State to administer sales and use tax, may **not transfer any personal data** gathered under the Pilot to any other person.
- The Contractor must provide reasonable safeguards against the risk of unauthorized access, processing, or dissemination of personal data. • The Contractor must provide a privacy notice for any on-line collection and must have a procedure whereby individuals can obtain and correct personal data about them that is maintained by the Contractor.

Thus, even if Chong could not be said to disclose an anonymous system, RFP #001185 provides the teaching of such a feature. Appellants would have the Board believe that there is no motivation for combining Chong with RFP 001185. However, Appellants have been usurped by their own admitted prior art. Page 4 of RFP 001185 entitled "Part 1 Purpose and Goals" of the RFP sets forth clear motivation for the reasonable expectation of success saying:

The key element is the use of an agent to perform the sales tax administration functions of a retailer and thereby relieve the retailer of as much of the burden of compliance as possible.

Thus, with such clear motivation set forth in RFP 001185 for using an agent to absorb burden of the tax compliance for a company, it would be an obvious step to employ



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such an agent in Chong. This is because like motivations are found in both references.

Specifically, Chong discloses in Col. 1 lines 55-57:

[t]hese different tax collection and reporting requirements can be very confusing and onerous for a company ...

Therefore, there can be no doubt that the motivation in both references is to relieve burden and onerous requirements. All that would need to be done in Chong to make this successful would be to outsource its tracking system to an agent, rather than keep it in house.

*Francisco et al. is an Alternative Secondary Reference to the RFP.*

Francisco et al was included in the rejection merely as an alternate reference to RFP 001185 in order to emphasize the clearly well know expedient of using an agent to collect taxes. Clearly indicated by Francisco et al at col. 2 lines 19-25 are statements supporting motivation to employ third party tax collecting agents:

there exists a need in the art for a system and corresponding equipment and method to be implemental which increase the percentage of retailer transactions and collected sales tax forwarded to state and federal government agencies. By insuring that a larger percentage of retail transactions are reported to taxing authorities, ... a lesser number of violators will slip through the cracks."

Thus, while Francisco et al is offered as supplemental secondary reference cumulative to RFP 001185, it nevertheless provides another motivation for modifying Chong to use

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a third party tax collecting agent; that being *to ensure greater incidences of tax reporting to governments.*

Viewing Based on Fraud Suspicions:

Johnson et al disclose a fraud detecting method which incorporates an alert to suspected fraud situations and as a result of this alert, further investigational data is made available to the reviewer, see, col. 32 line 42, to see the circumstances of the fraud alert. It would be obvious to modify the above combination to include the fraud alert offered by Johnson, the motivation being the ability to insure proper payment of taxes to a taxing authority. Notwithstanding, Official notice is taken of the old and notorious practice of looking into records more closely when fraud is suspected, e.g. IRS tax audits based on filing discrepancies.

*Himmel et al. Is Used As An Evidence Reference to Support an Official Notice Statement*

Finally, notwithstanding the above, the patent to Himmel et al has been cited merely as evidence of the notoriously well known practice of restricting access to files, in particular in the internet environment. The Examiner's statement of Official Notice was challenged by Appellants during prosecution of this application and thus Himmel et al. was cited merely to evidence this position. Thus, the Examiner further submits that anonymity of records in database files is an old and obvious expedient in the art of networking.

**Claim 2:**

see step 71.

**Claim 3:**

see Appendix G of Chong.

**Claim 5**

Claim 5 is made obvious by Chong in col. 6 lines 45-70 discloses at length the filing of reports to e.g. the IRS "(via form 1099), and hence answers the recital of claim 5 of filing reports for sellers with the taxing jurisdictions for the taxes that been collected.

**Claim 7**

This claim has been cancelled

**Claims 8 and 9**

Appellants attempt to argue claims 8 and 9 separately but such 'arguments' merely restate claim language without presenting any argument, except to say that the use of identification numbers as opposed to names increases privacy. This is exactly the Examiner's argument regarding privacy in Chong, wherein Chong discloses using I.D. numbers to access files at col. 4 line 49, and hence promotes privacy.

Re claim 9, see Appendix A of Chong

Re 10, see Francisco et al. col. 8 lines 15-21.

**Claim 10**

Chong discloses an ID number See App G

**Claim 11**

Official notice is taken of the use of financing a debt

**Claim 12**

Claim 12 recites revealing identity of seller if improper conduct is identified. Appellants offer no argument except to restate the elements of claim 12 in combination with those from which it depends. Francisco et al disclose at col. 8, lines 22-34 and col. 7 lines 24-36 computer implemented "receiving", "sorting" and "storing" responsibilities which can be verified by calling "an 800 number" which would obviously reveal the retailer's identity.

**Claims 13 and 14 Have Not Been Separately Argued**

Appellants' "argument" regarding claims 13 and 14 does nothing more than restate the claim elements in combination without substitutive argument. Thus, these claims can only rise and fall with claim 1. In addition, Appellants have not challenged the Examiner's official notice regarding these claims, and hence the prima facie case of obviousness has not been rebutted.

**Claim 15:**

See: RFP item 12, time based access.

**Claim 16**

Page 25 of the RFP # 001185 recites that the states will compensate a (SP agent on a per transaction basis". Thus, claim 16 is clearly answered by RFP # 001185.

**Claim 6**

Claim 6 is made obvious by Chong in view of Francisco et al, Appendix A of RFP and further in view of Longfield. Appellants admit that "Longfield discloses the filing of tax returns and the financing by the agent as recited in claim 6", but appears to challenge the combination under Section 103. However, Longfield like the Francisco et al and RFP 001185 references, discloses using an agent authorized to prepare taxes (col. 1 line 57), in order to effect more quick return of refunds. Thus, there is clear motivation on the part of Longfield to streamline using electronic means to effect more rapid completion of the tax process. This motivation is absolutely congruent with RFP 00001185 and thus the mere feature of using the agent to filing a tax return based upon the accumulated data cannot constitute a patentable distinction, because Longfield does exactly that. See col.6 lines 45-70 of Chong.


**THIS ACTION IS MADE FINAL NECESSITATED BY AMENDMENT.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of

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the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

Any inquiry concerning this communication should be directed to Joseph A. Fischetti at telephone number 571 272 6780.

  
JOSEPH A. FISCHETTI  
PRIMARY EXAMINER  
Joseph A. Fischetti  
Primary Examiner  
Art Unit 3627